

190

5

SECRET [REDACTED] OCT 78 CITE SANTIAGO 449

1. GATHER FROM DON THAT ONE (UNMENTIONED) ITEM ON AGENDA WOULD BE FUTURE RELATIONS WITH ALLENDE REGIME. DON FEELS THAT U.S.G. WILL HAVE TO INITIATE TALKS WITH ALLENDE PRIOR 4 NOV ON ASSUMPTION ALLENDE WILL MAKE GOOD ON THREAT TO INTRODUCE NATIONALIZATION BILL ON 5 NOV.

2. COS, REPORTING ON TRIP TO HQS, MENTIONED IN PASSING HE HAD GAINED IMPRESSION THERE NOT MUCH SENTIMENT IN WHITE HOUSE FAVORING ANY TYPE OF ACCOMMODATION WITH ALLENDE NOW OR LATER. AMB NOW FEELS THAT, ONCE AGREEMENT REACHED BETWEEN U.P. AND PDC (SEE EMBTEL [REDACTED], U.S.G. IN PERSUADING HARDLINE COURSES OF ACTION WOULD FIND ITSELF WAY OUT IN LEFT FIELD. TO EXPECT MILITARY INTERVENTION, UNDER SUCH CONDITIONS, WOULD (ACCORDING TO AMBASSADOR) BE SHEER FOLLY.

SECRET

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